

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ROME IMMEDIATE

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FOR THE AMBASSADOR

E.O. 11652: N/A

TAGS: MILI, IT, US

SUBJECT: DOCUMENTATION RELEASED BY CHURCH SUBCOMMITTEE
REGARDING LOCKHEED MILITARY AIRCRAFT SALE TO ITALY

1. COPIES OF INTERNAL LOCKHEED COMPANY DOCUMENTS WERE RELEASED TO THE PRESS ON FEBRUARY 4 BY THE SENATE SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS, AS BACKGROUND FOR PUBLIC HEARINGS BEGINNING FEBRUARY 4 AND 6 ON WHAT SENATOR CHURCH REFERRED TO IN HIS OPENING STATEMENT AS LOCKHEED BRIBES AND QUESTIONABLE POLITICAL PAYMENTS TO FACILITATE SALES IN EUROPE AND JAPAN.
 2. DOCUMENTS INCLUDE 43 PAGES OF MEMORANDA AND CORRESPONDENCE DATED FROM 1968 THROUGH 1971 RELATING TO THE SALE OF FOURTEEN C-130 AIRCRAFT TO ITALY IN 1971, WHICH INVOLVED LEGAL FEES, PROMOTIONAL AND SPECIAL EXPENSES TOTALLING TWO MILLION DOLLARS. ONE UNDATED FIVE-PAGE MEMORANDUM REFERS TO 78,000 DOLLARS THAT LOCKHEED RECOGNIZED AS A SPECIAL FEE TO
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BE PAID ON RECEIPT OF THE LETTER OF INTENT, WHICH WAS

SIGNED IN JUNE 1970, QUOTE TO COMPENSATE THE PREVIOUS MINISTER AND CERTAIN MEMBERS OF HIS TEAM WHO ARE NOW IN THE MINISTRY AND WILL REVIEW THE CONTRACT. WE HAVE RECENTLY AGREED TO AN ADDITIONAL PAYMENT FOR SPECIAL COMPENSATION TO THE MINISTER FOR HIS ACTIVITIES IN CONNECTION WITH THE PRICE INCREASE THAT WAS NEGOTIATED IN DECEMBER. ORIGINALLY, THIS WAS TO AMOUNT TO MORE THAN 200,000 DOLLARS BUT AGREEMENT HAS BEEN REACHED ON A SINGLE PAYMENT OF 50,000 DOLLARS. UNQUOTE. SAME MEMORANDUM LATER STATES QUOTE PROGRESS MADE THUS FAR HAS BEEN IN SPITE OF THE BELIEF OF THE DEFENSE MINISTER THAT LOCKHEED HAS NOT DONE ALL IT COULD TO COMPLETE THE IMI LOAN. HE IS ALSO SUSPICIOUS THAT PERHAPS THE REASON FOR OUR LACK OF ACTION IS THAT WE ARE MERELY WAITING FOR A GOVERNMENT CHANGE SO NO PAYMENT TO HIS PARTY WILL BE NECESSARY. ACCORDING TO LEFEBVRE THE (BLANK) CURRENT POSITION IS THAT HE WILL NOT PROCESS THE CONTRACT FURTHER UNTIL THE SECOND PAYMENT IS MADE TO HIM. HE FEELS THAT THIS IS HIS LAST REALLY EFFECTIVE PRESSURE POINT, AND APPARENTLY HE INTENDS TO USE IT. UNQUOTE.

3. MEMORANDUM INCLUDES TABLE SUMMARIZING TOTAL PAYMENTS OF TWO MILLION DOLLARS IN THREE PHASES. WITH REGARD TO ITEM OF 1,680,000 DOLLARS PAID AS PROMOTIONAL EXPENSES TO TEZOREFO, A FOOTNOTE SAYS QUOTE MORE THAN 85 PERCENT OF THIS IS FOR THE MINISTER'S POLITICAL PARTY UNQUOTE FOLLOWED BY THE HANDWRITTEN WORDS QUOTE PAST AND PRESENT UNQUOTE. THE OTHER ITEMS IN THE TABLE ARE SPECIAL EXPENSES TALLING 128,000 DOLLARS AS DESCRIBED ABOVE AND 210,000 DOLLARS IN LEGAL FEES TO LEFEBVRE.

4. THE WORDS MINISTER AND DEFENSE MINISTER WERE TAPED OVER IN THE EARLY PAGES OF THIS MEMORANDUM, AS RELEASED, AND THEN OVERWRITTEN IN INK WITH THE SAME WORDS. ON LATER PAGES WORDS WERE TAPED OUT, OVERWRITTEN AND THEN STRUCK OUT TO PRODUCE BLANKS. THE MEMORANDUM SAYS LEFEBVRE WAS WORKING TO GET A DECREE SIGNED BY THE DEFENSE MINISTER BY THE END OF MARCH; THE INTERNAL EVIDENCE SUGGESTS THAT THE MEMORANDUM WAS PREPARED EARLY IN 1971. IT CONCLUDES BY REQUESTING AUTHORITY TO MAKE THE SECOND SLICE OF PROMOTIONAL PAYMENTS INCLUDING THE 50,000 DOLLARS SPECIAL EXPENSE LIMITED OFFICIAL USE

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REFERRED TO ABOVE.

5. OTHER DOCUMENTS INCLUDE LETTER OF MARCH 1970 FROM IKARIA ETABLISSEMENT OF VADUZ TO LEFEBVRE REQUESTING PAYMENT FOR ITS ASSISTANCE IN FACILITATING C-130 SALE. LOCKHEED LETTER ONE WEEK LATER AUTHORIZES PAYMENT OF 78,000 DOLLARS TO IKARIA BY LEFEBVRE. A LATER LETTER FROM LEFEBVRE TO LOCKHEED REFERS TO THIS AMOUNT RECEIVED FROM

LOCKHEED AS QUOTE LUMP SUM PAYMENT FOR EXPENSES MET UP TO
DECEMBER 31,1969 UNQUOTE. A NOTATION ON THE LETTER WAS
TAPED OUT, WRITTEN OVER, AND THEN STRUCK OUT IN INK BY THE
SUBCOMMITTEE AFTER REPRODUCTION BUT BEFORE RELEASE. EIGHT
WORDS CAN BE READ UNDER THE SMUDGE BEGINNING WITH QUOTE
PAYMENT FOR LOAN UNQUOTE AND ENDING QUOTE DEFENSE MINISTER
GUI UNQUOTE.

6. REMAINING DOCUMENTS APPEAR TO BE DEVOID OF REFERENCES
TO ANY POLITICAL FIGURES AND DEAL LARGELY WITH RETAINER
ARRANGEMENTS WITH ATTORNEY ANTONIO LEFEBVRE D'OVIDIO, VIA
DEL NUOTO 11, ROME; AND WITH TEZOREFO, OR TEMPERATE ZONE
RESEARCH FOUNDATION, WITH ADDRESSES AT NEW YORK, PANAMA
AND GENEVA, WHOSE CORRESPONDENCE WAS SIGNED BY JOHN HOUSS,
ANOTHER NAME TAPED OUT AND WRITTEN BACK IN. WE ARE POUCH-
ING DOCUMENTATION. KISSINGER

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TAGS: MILI, IT, US, LOCKHEED
To: ROME
Type: TE
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